

0965 California Industrial Development Financing Advisory Commission

The California Industrial Development Financing Advisory Commission's (CIDFAC) creates employment opportunities and supports local economic development. CIDFAC meets this goal by approving local entities' issuance of Industrial Development Bonds (IDBs). The IDBs provide manufacturers and knowledge-based industries with a low-cost financing option to build, expand, or equip their facilities in California. CIDFAC independently reviews IDB applications to ensure compliance with federal and state laws and regulations and approves the sale of IDBs by local authorities. Additionally, CIDFAC provides technical assistance to local issuers of IDBs, including cities, counties, industrial development authorities, redevelopment agencies, and joint powers authorities.

The State Treasurer serves as chairperson of the CIDFAC. The other members are the Director of the Department of Finance, the State Controller, the Secretary of the Business, Transportation and Housing Agency, and the Commissioner of the Department of Corporations.

3-YR EXPENDITURES AND PERSONNEL YEARS (Summary of Program Requirements)

	Personnel Years			Expenditures		
	2008-09	2009-10	2010-11	2008-09*	2009-10*	2010-11*
10 California Industrial Development Financing Advisory Commission	1.0	1.0	1.0	\$253	\$336	\$367
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	1.0	1.0	1.0	\$253	\$336	\$367
FUNDING				2008-09*	2009-10*	2010-11*
0215 Industrial Development Fund				\$253	\$261	\$292
0995 Reimbursements				-	75	75
TOTALS, EXPENDITURES, ALL FUNDS				\$253	\$336	\$367

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Government Code Sections 91500 to 91574, Insurance Code Section 1192.

DETAILED BUDGET ADJUSTMENTS

	2009-10*			2010-11*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Employee Compensation Adjustments	\$-	-\$21	-	\$-	\$-	-
• Miscellaneous Adjustments	-	-	-	-	10	-
Totals, Other Workload Budget Adjustments	\$-	-\$21	-	\$-	\$10	-
Totals, Workload Budget Adjustments	\$-	-\$21	-	\$-	\$10	-
Totals, Budget Adjustments	\$-	-\$21	-	\$-	\$10	-

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 - CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION

The core program area is the Industrial Development Bond (IDB) Program, under which CIDFAC, as required by state law, serves as the mandatory approval agency for local IDB issuers. Once potential borrowers (manufacturers and processing companies) apply through their local government agency for low cost tax-exempt financing, CIDFAC carefully reviews the public benefits generated by the proposed project, particularly those benefits associated with job creation, and determines whether these benefits will significantly outweigh any detrimental public effects. Eligible capital expenditures include the acquisition of land, building construction, building renovation, and the purchase of machinery and equipment. Bond proceeds also can be used to cover the cost of architects, engineers, attorneys, permits, and the cost of bond issuance. The local issuer can be a city, county, economic development authority, redevelopment agency, or a joint power authority.

Federal law authorizes the issuance of IDBs in local Empowerment Zone Bonds (EZ Bonds). CIDFAC's EZ Bond Program augments the benefits of the IDB program to further support economic development in California's most distressed communities. The EZ Bond Program expands the eligibility of borrowers to manufacturers, retailers, and any service that operates in an Empowerment Zone. The EZ Bond program removes the maximum dollar restriction (applicable to IDBs) on the size of the issuance. There are five federally designated Empowerment Zones in California: Los Angeles, Santa Ana, San Diego, Fresno and an unincorporated section of Riverside County. These communities received this federal designation

* Dollars in thousands, except in Salary Range.

0965 California Industrial Development Financing Advisory Commission - Continued

based on their high unemployment and high poverty rates.

DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

	2008-09*	2009-10*	2010-11*
PROGRAM REQUIREMENTS			
10 CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION			
State Operations:			
0215 Industrial Development Fund	\$253	\$261	\$292
0995 Reimbursements	-	75	75
Totals, State Operations	\$253	\$336	\$367
TOTALS, EXPENDITURES			
State Operations	253	336	367
Totals, Expenditures	\$253	\$336	\$367

EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions/Personnel Years			Expenditures		
	2008-09	2009-10	2010-11	2008-09*	2009-10*	2010-11*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	1.0	1.0	1.0	\$120	\$120	\$120
Net Totals, Salaries and Wages	1.0	1.0	1.0	\$120	\$120	\$120
Staff Benefits	-	-	-	32	34	34
Totals, Personal Services	1.0	1.0	1.0	\$152	\$154	\$154
OPERATING EXPENSES AND EQUIPMENT						
				\$101	\$182	\$213
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$253	\$336	\$367

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2008-09*	2009-10*	2010-11*
0215 Industrial Development Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$256	\$282	\$292
Reduction per Section 3.90	-3	-21	-
TOTALS, EXPENDITURES	\$253	\$261	\$292
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$-	\$75	\$75
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$253	\$336	\$367

FUND CONDITION STATEMENTS

	2008-09*	2009-10*	2010-11*
0215 Industrial Development Fund^s			
BEGINNING BALANCE			
Prior year adjustments	\$225	\$116	\$131
Adjusted Beginning Balance	-2	-	-
	\$223	\$116	\$131
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125600 Other Regulatory Fees	141	270	270
150300 Income From Surplus Money Investments	5	6	6

* Dollars in thousands, except in Salary Range.

0965 California Industrial Development Financing Advisory Commission - Continued

	<u>2008-09*</u>	<u>2009-10*</u>	<u>2010-11*</u>
Total Revenues, Transfers, and Other Adjustments	\$146	\$276	\$276
Total Resources	\$369	\$392	\$407
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0965 California Industrial Development Financing Advisory Commission (State Operations)	253	261	292
Total Expenditures and Expenditure Adjustments	<u>\$253</u>	<u>\$261</u>	<u>\$292</u>
FUND BALANCE	\$116	\$131	\$115
Reserve for economic uncertainties	116	131	115

* Dollars in thousands, except in Salary Range.